Leadership In Star Company

To lead and to manage are two different understandings. However, the owner of a business is both a leader and a manager. Every employee expects him/her lead them to achieve the company's goal (s). Generally speaking, leadership speaks a lot about the responsibility for the direction and growth of all stakeholders and shareholders while management talks mainly about the completion of works. Nonetheless, a leader's responsibility relies not only on people but also the accomplishment of tasks in accordance with the company's vision and mission.

For the work of this assignment, I will mainly focus on leadership. I will conduct an analysis on STAR Company where I used to work. Firstly, I am going to report the leadership issues of STAR Company (scenario). Secondly, I will talk about "leadership concepts or methodology" which I have learnt in my class and other resources. Thirdly, I am going to specifically do an analysis of the scenario using "leadership concepts". After that I am going to discuss a "leadership style" which is most suited for STAR Company. The final part will be my conclusion.

Presentation of Scenario (STAR Company)

STAR Company is the largest steel trading company in Myanmar. It is private ownership. It has been running a trading business for more than sixteen years. There are more than two hundred and fifty employees in total. The director of STAR Company is hoping to expand the business. Since the company was established, the director has taken complete control of both leading and managing all departments. The company has suffered a high turnover rate regularly. The Managers of STAR Company are not pleased with the way the director leads and manages. Even though the General Manager and the Managers are capable and experienced, they don't have the autonomy to make decisions mostly.

Moreover, the director does not recognize and accept inputs given by the General Manager and Managers mostly. Most of the time, the director changes anything and delegates staff of his own will; without prior notice or consult with respective Managers and the General Manager. Besides, he has created a company culture in that almost every staff is given the right to directly report him. This condition has made General Manager and Managers face a lack of information on many tasks. Managers are responsible and accountable for any operational failures or errors caused by staff.

Furthermore, departments are unable to link with each other. Old staffs are not easily cooperative and welcoming. The biggest issue of STAR Company is that sales staff are given a privilege by the director. The privilege is that sales staff are considered or treated by the director as the backbone of the Company. What we mean is that they are treated as the bread-winner of the Company. This has also created an unconscious tension and jealousy among sales staff and staff from other departments. No one listens to anyone except the director.

Methodology

Types of Leadership

There are “different conceptions of leadership” repeatedly suggested by many authors. I have put a limit on presenting every “leadership style” suggested by many authors of different generations. Among them, I hope the following “leadership styles” are widely spoken and accepted by most readers and practitioners around the world.

1. “Autocratic leadership theory,” says that a leader uses position power to take control of the decision making process. He/she lacks consideration of inputs given by the staff. He/she focuses on productivity or result and efficiency.
2. According to “Democratic leadership (participative leadership) theory”, a leader always creates a space for discussion and takes into account the inputs of staff before taking any decision making. It encourages respect for opinions and free-thinking.
3. “Bureaucratic leadership theory” emphasizes rules and procedures. The leader leads staff by rules and procedures.
4. “Transactional leadership theory” focuses on rewarding success and conducts “disciplinary action for failure” .
5. “Laissez-faire leadership theory” emphasizes “delegating tasks” and encouraging the team makes decisions alone.
6. “Transformational leadership theory” is charismatic and motivating. It encourages “intellectual stimulation” and “critical thinking” .

Analysis of the Scenario (STAR Company)

As it has been described in the presentation of the scenario, the director of STAR Company is utilizing an autocratic leadership style. We are not sure of his intention whether he is practicing the autocratic leadership style knowingly or unknowingly. As the theory suggests the way the director takes control of almost every decision-making process showcases characteristics of autocratic leadership. The general manager and managers are not given autonomy to freely decide and take actions accordingly. Every staff can report directly to the director, and this makes it department heads difficult to get the source of problems that occur.

Moreover, the Managers are unable to fully delegate or manage staff by the position of power and autonomy. As the director holds the power to delegate and decide alone, managers lose the gap among staff, and cant’ build a link among departments. As the direct result of being unable to build a link among departments, accountability and responsibility issues with regard to any problems that arisen goes to everyone. It means that there is no one to blame or everyone blames everyone.

In addition, staff are allowed to report to the director directly, and this has created another operational management problem which is teamwork. Department Managers who are also leaders of staff lose trace of staff and find it very hard to build up team spirit and teamwork. The director delegates staff personally, and sometimes the information doesn’t reach the ears of Managers. Sometimes, it makes it very difficult for Managers to accomplish tasks as they lose sight of information and can’t exercise position power to organize or motivate the team.

Furthermore, the biased culture of giving attention exercised by the director in terms of leading the sales department has made sales staff feel powerful over other staff. The director mostly listens to what salespeople say. Other staffs feel somehow unrecognized or unimportant. It is not only difficult to cooperate with the sales team but also hard to manage and monitor them

except the director. Jealousy and negative perception of sales department become a stumbling block for a warm and happy working environment. Hatred and disrespect of the director are the results of the biased culture.

Best Suited Leadership Style for STAR Company

Needless to say that the director needs to change its “leadership style” for the growth of staff and STAR company itself. He/She needs to be aware of the negative impacts of his “autocratic leadership style” which results in a high turnover rate, an unhappy working environment as well as the unhealthy relationship among staff. I hope there would be much better chance if the director is capable of changing the way he leads and manages his staff. He needs to give autonomy to his General Manager and Managers so that they can freely lead staff, make decisions and take necessary action accordingly.

Furthermore, he also needs to listen to inputs of General Manager and Managers as well as from all other staff. By so doing, they may feel respected and recognized. Of course, in some cases, he will need to decide on issues which cannot be handled by General Manager and Managers themselves. Even though staffs are capable and experienced in some cases, they have to somehow follow rules and regulations or procedures settled for the sake of smooth operation. Depending on the conditions and needs of the company, the director needs to adopt different “leadership styles” to some degree or extent.

Given the reasons above, I would suggest that the “situational leadership style“ is the most suited leadership style for STAR Company. In order to be able to integrate situational leadership style effectively, the director must have deep knowledge of staff and their needs. He must be able to change and adapt his creative leadership strategies depending on the needs of staff and situations.

Besides, he must be capable to solve problems and gain trust from his staff. In situational leadership, the leader “acts less like a boss but more like a partner” . He/she creates or motivates a situation where staffs feel comfortable and free. Staff don’t feel overwhelmed or dominated. However, staff are required to reach a certain level of maturity and competence. As situational leadership theory suggests, the director of STAR Company needs to use “the right leadership style for the right people at the right time” . By doing so I hope staff will feel fairly treated, respected, recognized or motivated. Company will be more organized, systematic and developed if team cooperate, build links and trust among departments. The company will grow and the director will be able to expand his business.

Conclusion

In conclusion, I would like to point out that STAR Company’s current leadership is autocratic leadership which brings only chaos, disorientation, tension and unhappy working environment. In order to change and expand STAR Company, the director himself must change the way he plays his leading role from “autocratic leadership style” to “situational leadership style”.